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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 31, 2011

Certified Return Receipt
7009 3410 0001 4203 2482

Gary Applegate
Great American Resources LLC
P.O. Box 668
Tooele, Utah 84074

Subject: Failure to Provide Bond Payment and Updated Disturbance Map, Great American Resources LLC, Southern White/Mountain Rose Mine, S/001/0047, Beaver County, Utah

Dear Mr. Applegate:


The Division of Oil, Gas and Mining and Great American Resources jointly agreed on February 7, 2011, that a reclamation surety of \$31,600 for about 6.5 acres of disturbance was required and that interest in the Zions Bank account would be applied toward the surety. This agreement is in place and attached to this letter.

You requested 6.5 acres of disturbance, so the Division requested an amendment to your Notice of Intention to Commence Small Mining Operations. This amendment was to include a map showing where the disturbance is located, and your Small Mine Notice needed to show 6.5 acres of disturbance.

The Division asked you to provide this amendment no later than August 15, 2011. To date the Division has not received this amendment or the remaining payment of \$3,245, due September 10, 2011, as agreed upon. **The Division is allowing until November 30, 2011, to complete these two requirements before enforcement action will be taken. This is likely to include a fine and an order to cease mining operations**

If you have questions or concerns regarding this letter, please contact me at (801) 538-5261 or Tom Munson at (801) 538-5321. Thank you for your help in completing these important regulatory requirements.

Sincerely,


Paul B. Baker

Minerals Program Manager

PBB:tm:pb

Attachment: Bond payment schedule

cc: ed_ginouvest@blm.gov

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Payment Schedule for Great American Resources LLC

S/001/0047

Table X

Authorized Signature and Date Payment Received	Number	Due Date (by)	Payment Amount	Additional Pmt.	Total Received
Per the operator's request the interest earned on this account will be applied to the surety portion.	1	November 2010	\$655.00 – Interest earned		\$655.00
Cashier's CK# 1446107 9,100 ⁰⁰	2	March 10, 2011	\$9,100.00		\$0 \$9,100 <i>14461</i>
	3	September 10, 2011	\$3,245.00		\$0
	4				\$0
	5				\$0
	6				\$0
	7				\$0

Total amount required: \$13,000.00

I agree to the amounts identified in this payment schedule as shown on Table X and will abide by the payment criteria. I understand all mine sites must be adequately bonded.

Operator GREAT AMERICAN RESOURCES LLC
 Signature *[Signature]*
 Date 03/16/11

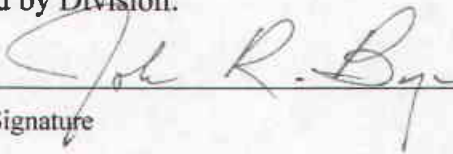
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MAR 31 2011

DIV. OF OIL, GAS & MINING

Agreed and Approved by Division:

Division Director


Signature

Date 4/7/2011